

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

DAMON CHARGOIS, §
§
PLAINTIFF §
§
v. § CIVIL ACTION NO.: 4:21-cv-02427
§
LABATON SUCHAROW, §
ERIC J. BELFI, AND §
CHRISTOPHER J. KELLER, §
§
DEFENDANTS §

FIRST AMENDED COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff Damon Chargois (“Plaintiff”) files this First Amended Complaint for Declaratory Relief against Defendants, Labaton Sucharow LLP (“Labaton”), Eric J. Belfi (“Belfi”), and Christopher J. Keller (“Keller”) (collectively, “Labaton Defendants”) and states as follows:

PARTIES

1. Plaintiff Damon Chargois is a citizen of the State of Texas.
2. Defendant Labaton Sucharow, LLP is a New York based law firm conducting business in Houston, Texas for the purposes of the agreements making the basis of this lawsuit. Labaton has been previously served with Plaintiff’s Original Petition and has filed its Motion to Dismiss with this Court.
3. Defendant Christopher L. Keller is the Chairman and Head of Executive Committee of Defendant Labaton Sucharow, LLP. Keller has been previously served with Plaintiff’s Original Petition and has filed his Motion to Dismiss with this Court.

4. Defendant Eric J. Belfi, is a partner of Defendant Labaton Sucharow, LLP. Belfi has been previously served with Plaintiff's Original Petition and has filed his Motion to Dismiss with this Court.

JURISDICTION AND VENUE

5. Subject to and without waiving the arguments made within Plaintiff's Motion to Remand, the Court has personal jurisdiction over Defendants. Defendants have sufficient contacts with this district generally and, in particular, with the events herein alleged, that each is subject to the exercise of jurisdiction of this Court. Each Defendant have committed tortious acts within the district and/or aimed their tortious acts towards this district with knowledge of the consequences would be felt in this jurisdiction.

6. Further, venue is proper in this district under 28 U.S.C. § 1391.

FACTUAL BACKGROUND

7. On October 2, 2017, Plaintiff Damon Chargeois testified at length about the agreement making the basis of this lawsuit. *See Exhibit A.* As he explained, Plaintiff Damon Chargeois was contacted by Defendant Eric Belfi in late 2006 to use his local and/or liaison counsel services in securities litigation cases. *See Exhibit A, p. 21.* At the time, the Labaton Defendants were embroiled in securities litigation in Houston, Harris County, involving HCC Holdings. The Labaton Defendants asked Plaintiff Chargeois to associate himself with the case:

"When Eric Belfi came down...He came down to Houston I believe it was for a hearing in the HCC matter. We got to know each other in talking what you do, what do you do, what else do you do, and I told him that we had a Little Rock law firm...We just started talking about what else we did, and he told me that part of his job at Labaton was to—I don't remember the words, but it's along the lines

of client development is how I understood it..." *See Exhibit A "Deposition of Damon Chargeois", dated October 2, 2017 pg. 21-22.*

8. As the HCC matter progressed, so too did the relationship between Plaintiff and Belfi, individually and on behalf of Labaton, progressed. As this relationship grew, Keller was introduced to Plaintiff, as well, and a relationship formed between Keller and Plaintiff. Plaintiff attended the mediation and some hearings in the case:

"THE SPECIAL MASTER: Did you provide office space for the folks – for Labaton folks when they came in?

THE WITNESS: I believe they used my office once, and then we went to court. The other times they flew in, and I either picked 'em up from the airport and went to court, or I met them in court." *See Exhibit A "Deposition of Damon Chargeois", dated October 2, 2017 pg. 25.*

9. After a successful result in the HCC Securities Litigation, due in large part to Chargeois' involvement, the Defendants Belfi and Keller engaged in healthy discussions/negotiations with Plaintiff about continuing their working relationship with the Plaintiff. During that conversation in Houston, the Defendants Belfi and Keller negotiated with Plaintiff and eventually came to agreement that for each and every case that Damon Chargeois acted as local and/or liaison counsel in any state including, but not limited to, Texas, then Defendant Labaton would compensate Plaintiff Chargeois. The agreed compensation would be twenty percent (20%) of all attorneys' fees recovered for the respective case. *See Exhibit A, page 50.*

10. As a performed under the agreement formed by Defendants Keller and Belfi, Plaintiff introduced Defendants Keller and Belfi to multiple potential clients in multiple states,

including Texas. For example, Plaintiff set up meetings which were attended by either Belfi, Keller or both with Texas entities such as Texas Teachers Pension Fund, Houston Municipal Employees Pension Fund and the Houston Firefighters. *Id.*

11. The parties' agreement has been honored and should have been abided by Chargeois and the Labaton Defendants since 2007. Yet, Defendants Belfi and Keller have made a habit of asking Chargeois to take an amount less than agreed upon percentage. Defendants Belfi and Keller have caused the payments to be made in the past however refuse to cause the payments to be made currently. *See Exhibit A, Pages 70-73, 152.*

12. Plaintiff Chargeois gave testimony in a judicial proceeding questioning the legitimacy of attorneys' fees in one the cases that were part of the Chargeois & Labaton agreement. *See Exhibit A.* After review, decision, and appeal, the attorneys' fees awarded to Labaton in that case have been finalized. As of March 12, 2021, all parties and counsel are aware that distributions from the settlement proceeds are proper and should occur.

13. With the conclusion of the previous matter, Plaintiff Chargeois expected to continue receiving payments from all the Chargeois & Labaton matters. With neither a cognizable nor legal reason, Labaton Defendants, specifically Defendants Belfi and Keller, have now asserted that Chargeois is no longer entitled to any payments as a result of their long-standing agreement. Accordingly, Plaintiff Damon Chargeois now files this instant suit to ensure payment for his contracted work , yet to be concluded, and previously completed work as a local and/or liaison counsel.

DECLARATORY RELIEF

14. The preceding paragraphs are incorporated by reference as if fully alleged herein.

15. An actual controversy has arisen and now exists between Plaintiff on the one hand, and the Labaton Defendants on the other, concerning the respective rights and duties of the parties under the agreement made between the parties.

16. Plaintiff contends that the Labaton is estopped from refusing to pay the agreed upon fee for local and/or liaison counsel work for each and every case Plaintiff is involved with Labaton on and that Belfi and Keller are estopped from causing Labaton to not pay the agreed upon fee for local and/or liaison counsel work for each and every case Plaintiff is involved with Labaton on.

17. Plaintiff seeks a declaration of the parties' respective rights and duties under the and requests the Court to declare the aforementioned conduct of Defendant as in violation of the agreement made between the parties so that future controversies may be avoided.

18. As this is a suit for declaratory relief, Plaintiff Damon Chargeois is entitled to recover reasonable and necessary attorneys' fees. *See* TEX. CIV. PRAC. & REM. CODE §37.009.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests relief and judgment against Defendant as follows:

- (a) For a declaration that Defendant's conduct as alleged herein is violation of the agreement made between the parties;
- (b) For Plaintiff's attorney fees and costs incurred; and
- (c) For such other relief in law or equity as the Court deems just and proper.

SORRELS LAW

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ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Motion served on the attorneys in charge for Defendants by electronic filing pursuant to the Federal Rules of Civil Procedure, on September 13, 2021 to:

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